

W A T E R
F U N D

WATER FUND

MISSION STATEMENT: To develop, treat and distribute high quality water to meet the needs of Amherst residents and to do so through a user fee based revenue system.

WATER FUND SUMMARY

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06 - 07	Percent Change
Operating Revenues	\$	2,924,563	2,976,492	2,921,379	2,821,600	3,395,315	573,715	20.3%
Interest	\$	34,015	40,000	60,154	16,094	47,900	31,806	197.6%
State Grants	\$	273,877	273,877	273,877	273,877	273,877	0	0.0%
SUBTOTAL REVENUES	\$	3,232,454	3,290,369	3,255,410	3,111,571	3,717,092	605,521	19.5%
Borrowing								
Authorizations	\$	0	0	0	0	0	0	0.0%
Other Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	0	95,910	95,910	234,621	0	(234,621)	-100.0%
TOTAL RESOURCES	\$	3,232,454	3,386,279	3,351,320	3,346,192	3,717,092	370,900	11.1%
Operating Budget	\$	1,878,064	1,931,094	1,896,136	1,998,757	2,278,839	280,082	14.0%
Gen. Fund Services	\$	329,967	325,424	325,424	318,641	381,266	62,625	19.7%
Debt Service	\$	513,423	502,761	502,760	498,794	592,987	94,193	18.9%
Capital Program	\$	511,000	627,000	627,000	530,000	464,000	(66,000)	-12.5%
TOTAL APPROPRIATION	\$	3,232,454	3,386,279	3,351,320	3,346,192	3,717,092	370,900	11.1%

WATER FUND**RESOURCES**

GOAL STATEMENT: To provide an adequate amount and proper balance of revenue sources to ensure that the Water Fund is completely self-supporting.

CONTINUING OBJECTIVES:

To maintain water rates that provide for the operation of the Water System without subsidies from the Town's tax levy.

LONG RANGE OBJECTIVES:**FY 07 OBJECTIVES:**

To increase water rates to adequately fund operating and capital needs and to reduce drawdown of Water Fund Surplus.

SERVICE LEVELS:

	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>
Funding Composition (%)					
Operating Revenues	86	86	81	91	87
Interest	5	5	4	1	2
Surplus Funds	0	0	6	0	3
Grants	9	9	9	8	8
Other Available Funds	0	0	0	0	0

WATER FUND**RESOURCES**

		FY 04	FY 05	FY 05	FY 06	FY 07	Change	Percent
		Actual	Budget	Actual	Budget	Proposed	FY 06 - 07	Change
Water Rates	\$	2,950,539	2,900,000	2,951,124	2,751,600	3,440,000	688,400	25.0%
Water Liens		59,767	30,000	43,983	30,000	40,000	10,000	33.3%
Water Connection Fees		33,050	15,000	40,800	15,000	40,000	25,000	166.7%
Other Water Revenues		55,545	25,000	150,488	25,000	20,000	(5,000)	-20.0%
Interest		34,015	40,000	60,154	16,094	47,900	31,806	197.6%
State Grants		273,877	273,877	273,877	273,877	273,877	0	0.0%

SIGNIFICANT BUDGET CHANGES:

In July 2005, the Select Board voted to eliminate the top tier of the Town's 3-tier rate system. Coupled with conservation efforts, in particular by the Town's largest user of water (UMass), revenues are projected to decrease during FY 06. Water rates are projected to increase by \$0.40 in FY07 (Tier 1 \$2.00 to \$2.40; Tier 2 higher consumption customers \$2.10 to \$2.50).

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

GOAL STATEMENT: To supply adequate volumes of high quality water to the citizens of Amherst and to maintain compliance with all Environmental Protection Agency Regulations.

CONTINUING OBJECTIVES:

To maintain an up to date preventative maintenance program on all equipment.
 To continue monitoring water quality through an aggressive water sampling program.
 To flush all water mains annually to improve water quality.
 To maintain equipment and facilities in top operating condition.
 To work with major water consumers to encourage water conservation.
 To optimize the treatment processes to reduce formation of disinfection byproducts and improve filtration of disease causing organisms.

LONG RANGE OBJECTIVES:

To investigate new sources of drinking water.
 To repair/replace old water mains, valves and hydrants.

FY 07 OBJECTIVES:

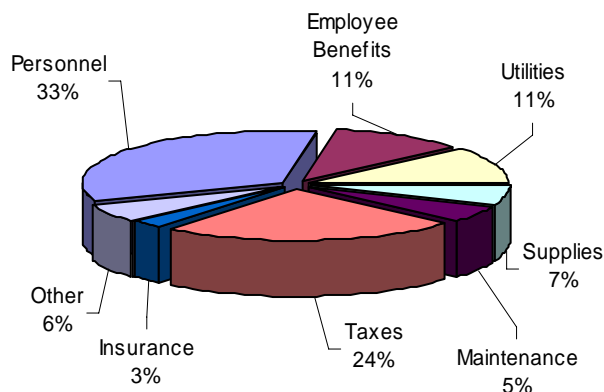
To improve our GIS mapping of the water system.
 To encourage water reuse at the University of Massachusetts for irrigation and process water.
 To improve water quality in the Shays Street area.

SERVICE LEVELS:

	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>
New water services installed	27	30	52	42	38
Water service relays	6	1	6	10	8
Water services	6,130	6,193	6,243	6,301	6,338
Water metered & produced (billion gals)	1.35	1.33	1.34	1.34	1.31
Positive coliform bacteria samples	1	0	0	0	0
Regular water meter readings	24,520	24,772	24,972	24,367	25,356
Meters installed	301	165	164	285	298
Hydrants in service	916	916	931	940	1,068
Frozen water services	0	0	0	0	6
Hydrants repaired	23	9	17	15	12
Water mains flushed (miles)	113	113	113	10	113
Water main breaks repaired	7	12	7	9	8

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06 - 07	Percent Change
Personnel Services	\$	727,023	822,056	822,826	874,428	1,019,743	145,315	16.6%
Operating Expenses	\$	1,147,407	1,104,638	1,069,372	1,119,929	1,254,696	134,767	12.0%
Capital Outlay	\$	3,635	4,400	3,938	4,400	4,400	0	0.0%
TOTAL APPROPRIATION	\$	1,878,064	1,931,094	1,896,136	1,998,757	2,278,839	280,082	14.0%
SOURCES OF FUNDS								
Water Revenues	\$	1,878,064	1,931,094	1,896,136	1,998,757	2,278,839	280,082	14.0%
POSITIONS								
Full Time		13.00	14.00	14.00	14.50	14.50	0.00	
Part Time with Benefits		0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents		13.00	14.00	14.00	14.50	14.50	0.00	

MAJOR COMPONENTS:

Personnel Services include salaries for the Water Resources Director (shared with the Sewer Fund), one division director, one division supervisor, four water treatment operators, one skilled laborer, two maintenance workers, one meter reader, a mechanic and a quarter of a watershed land manager. The Town Engineer, a junior engineer, and an assistant to the Superintendent of Public Works are shared with the General Fund and the Sewer Fund. A utility technician and a GIS administrator and two electricians are shared with the Sewer Fund. Also included is \$76,315 for overtime and \$247,974 for health, retirement, life insurance and other benefits.

Utilities include \$220,000 for electricity and \$40,000 for fuel.

Maintenance, \$118,500, includes funds to repair dams, bridges, service lines and meters.

Supplies, \$98,200, includes funds for gasoline, office supplies and chemicals.

Taxes, \$550,721, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$59,600, provides building, vehicle and liability coverage.

SIGNIFICANT BUDGET CHANGES AND UNFUNDED RECOMMENDATIONS:

Personnel services increases include 10 hours/week (\$6,315) of a part time Land Management Assistant shared with the General Fund (Conservation) on a trial basis. Responsibilities include equipment maintenance, invasive species control, and watershed management. Also included is the Water Fund's share of increases to employee health insurance costs (\$42,928), retirement assessments (\$11,529), and other employee benefits (\$7,926). Fuel budget (heating oil) increases by \$17,000 (73.9%), electricity increases by \$20,000 (10%), and gasoline by \$15,000 (100%). Mandatory new water testing has increased the laboratory analysis budget by 10,000 (40%). Rising costs have increased chemicals budget by \$35,000 (41%).

Unfunded Recommendations: Approximately \$4,100 is needed in Personnel Services for reclassifications increasing the number of Water Treatment Operators by three. An increase of \$14,000 is needed for maintenance and purchase of hydrants.

WATER FUND**GENERAL FUND SERVICES**

GOAL STATEMENT: To compensate the General Fund for services provided by various departments.

CONTINUING OBJECTIVES:

To ensure that all costs related to water services are identified and appropriately charged through evaluation and modification of the indirect cost model used to assess charges for General Fund administrative support.

LONG RANGE OBJECTIVES:**FY 07 OBJECTIVES:**

To consider converting indirect charges for some General Fund Services to direct expenses included in the Water Fund.

SERVICE LEVELS:

	<u>FY 01 Actual</u>	<u>FY 02 Actual</u>	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>	<u>FY 05 Actual</u>
Number of departments reimbursed	9	10	10	10	9

WATER FUND**GENERAL FUND SERVICES**

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06 - 07	Percent Change
General Fund Services	\$	329,967	325,424	325,424	318,641	381,266	62,625	19.7%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	329,967	325,424	325,424	318,641	381,266	62,625	19.7%
SOURCES OF FUNDS								
Water Revenues	\$	329,967	325,424	325,424	318,641	381,266	62,625	19.7%

MAJOR COMPONENTS:

General Fund Services: The General Fund provides services which are used by the Water Fund. Transfers are made from the Water Fund to the General Fund to compensate for the costs of these services. Charges for FY 07 are as follows:

Select Board / Town Manager	7% of budget	\$16,334
Finance Department	9% of budget	101,892
Human Resources	5% of budget	14,813
Human Rights	5% of budget	3,714
Information Technology	5% of budget	22,588
Public Works Administration	29% of budget	105,871
Construction & Maintenance	5% of budget	41,777
Equipment Maintenance	12% of budget	43,054
Conservation	5% of budget	13,911
Town Hall Debt	6% of budget	15,312
Health		<u>2,000</u>
TOTAL		<u>\$381,266</u>

SIGNIFICANT BUDGET CHANGES:

Reimbursements reflect a net increase from FY 06.

WATER FUND**DEBT SERVICE**

GOAL STATEMENT: To provide funds for principal and interest payments for short and long term debt.

CONTINUING OBJECTIVES:

To evaluate and recommend appropriate debt service levels for this Fund.

LONG RANGE OBJECTIVES:**FY 07 OBJECTIVES:**

To make payments on debt incurred to build the Atkins Treatment Plant.

To make payments on debt incurred to reconstruct South East Street water mains.

SERVICE LEVELS:

	FY 01	FY 02	FY 03	FY 04	FY 05
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Number of issues outstanding	2	2	2	2	2
Number of new issues	0	0	0	0	0

WATER FUND**DEBT SERVICE**

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06 - 07	Percent Change
Principal	\$	309,395	307,671	307,670	313,599	419,040	105,441	33.6%
Interest	\$	204,027	195,090	195,090	185,195	173,947	(11,248)	-6.1%
TOTAL APPROPRIATION	\$	513,423	502,761	502,760	498,794	592,987	94,193	18.9%
SOURCES OF FUNDS								
Water Revenues	\$	513,423	502,761	502,760	498,794	592,987	94,193	18.9%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Atkins Treatment Plant	\$318,733	\$160,698	\$479,431
South East Water Main	<u>100,307</u>	<u>13,249</u>	<u>113,558</u>
	<u>\$419,040</u>	<u>\$173,947</u>	<u>\$592,987</u>

SIGNIFICANT BUDGET CHANGES:

Debt service for both issues increases by a total of \$94,193 per the 20-year debt schedules developed for each project.

WATER FUND**CAPITAL PROGRAM SUMMARY**

GOAL STATEMENT: To provide for the maintenance, improvement and enlargement of the Town's water system.

CONTINUING OBJECTIVES:

To maintain a capital plan that ensures the safe, adequate supply of water to the Town.

LONG RANGE OBJECTIVES:**FY 07 OBJECTIVES:**

To continue capital improvements to the water distribution system infrastructure.
 To repaint the interior of 3 treatment units at the Atkins water treatment plant.
 To conduct a water leak survey on the complete water distribution system (done every 2 years).
 To replace the treatment media at Baby Carriage Brook water treatment plant.
 To repaint the interior and exterior of the Village Park water storage tank.

SERVICE LEVELS:

	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Actual</u>
Number of Projects:					
Departmental Equipment	1	1	1	2	2
Existing Facilities	2	2	3	6	4
New Facilities	0	0	0	0	0

WATER FUND**CAPITAL PROGRAM SUMMARY**

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 06 - 07	Percent Change
Departmental Equip.	\$	24,000	62,000	62,000	0	40,000	40,000	--
Existing Facilities	\$	487,000	565,000	565,000	530,000	424,000	(106,000)	-20.0%
New Facilities	\$	0	0		0		0	0.0%
TOTAL APPROPRIATION	\$	511,000	627,000	627,000	530,000	464,000	(66,000)	-12.5%
SOURCES OF FUNDS								
Water Revenues	\$	511,000	531,090	531,090	295,379	464,000	168,621	57.1%
State Grants	\$	0	0	0	0	0	0	0.0%
Borrowing Auth.	\$	0	0	0	0	0	0	0.0%
Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	0	95,910	95,910	234,621	0	(234,621)	-100.0%

MAJOR COMPONENTS:

Equipment	40,000	Pick up with Plow
Facilities:	220,000	Repaint Village Park Water Tank
	100,000	Water System Improvements
	50,000	Repaint Treatment Units at Atkins
	36,000	Replace Media at Baby Carriage Brook
	13,000	Water System Leak Study
	5,000	DPW Facility Improvements